Catalogue no. 11F0019MIE — No. 223
ISSN: 1205-9153
ISBN: 0-662-37089-9

Research Paper

Analytical Studies Branch research paper series

The retirement plans and expectations of non-retired Canadians aged 45 to 59

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This paper represents the views of the author and does not necessarily reflect the opinions of Statistics Canada.

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105-07062/

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June 2004

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Published by authority of the Minister responsible for Statistics Canada

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Table of Contents

Introduction 5

Methodology 7

Section 1. Perceived Adequacy of Financial Retirement Preparations 8

Section 2: The Retirement Plans of near-retirees 17

Conclusions 31

References 43

ABSTRACT

Using data from the 2002 General Social Survey, the retirement plans and expectations of non-retired Canadians aged 45 to 59 are examined. The results show that about one-third of Canadians are concerned about the adequacy of their financial preparations for retirement, with such concerns associated with income, pension coverage, home ownership status, immigration status, marital status and self-assessed health. The results show that many Canadians are uncertain about their retirement plans, with 12% saying they do not know when they plan to retire and 18% saying they do not intend to retire at all. Such uncertainty is associated with factors such as income, home ownership status and pension coverage. Plans for retirement at younger ages are positively associated with pension coverage, home ownership, higher income, full-year employment, being married and confidence in the adequacy of one's retirement preparations.

Keywords: Older workers, retirement

Introduction

Over the next five to ten years, more Canadians will be poised to make the transition into retirement than ever before. The baby boom generation will continue to move through its fifties and into its sixties and will reach the age at which Canadians typically leave the labour force. Because of the large number of individuals in this age cohort, many questions arise. What are the retirement plans and expectations of these individuals? Are plans for early retirement widespread? Have these individuals saved enough for retirement? Under what conditions do they expect to leave the labour force?

In this paper, these questions are addressed using information from Statistics Canada's 2002 General Social Survey (GSS). The analysis is focused on non-retired individuals aged 45 to 59—a group we have labelled 'near-retirees.' There are a number of reasons for considering the plans, preferences and expectations of this group.

The absolute number of individuals nearing the retirement transition is certainly an important consideration. In 1981, there were 4.6 million persons aged 45 to 64 in Canada, accounting for 27.8% of the working-age population (defined as age 15 to 64). By 2002, the number of persons aged 45 to 64 had increased to 7.6 million and they accounted for 35.7% of the working-age population (Statistics Canada, 2002a). These figures are projected to rise to 8.7 million and 38.8% by 2006 (George et al., 2001).

Because of the large number of people in this age group, there is ongoing discussion about the social and economic consequences of their labour force exit. For example, Peter Hicks addresses this in terms of the declining proportion of the population that will be engaged in the production of goods and services and the implications this will have for the size of the 'economic pie'(Hicks, 2002). While a number of strategies may be used to maintain the size of the labour force, Hicks argues that "the only large pool of unused labour supply is among older people" and that "by far the greatest effects on the producer-consumer ratio would come through increases in the effective age of retirement." (Hicks, 2002: 46). This places the plans and expectations of Canadians now in their forties and fifties at centre stage. In short, how amenable are these individuals likely to be to public policies and employer strategies designed to encourage them to remain on the job? Hicks goes on to suggest that when assessing alternative public policy and labour market scenarios for the years ahead, it would be prudent to assume "…that there is an *entrenched culture of early retirement* in Canada…" (Hicks, 2002: 46. Emphasis added). Again, this places the plans, preferences and expectations of near-retirees at centre stage.

These plans, preferences and expectations are also central to current discussions about the future of retirement in Canada and elsewhere, and more specifically, whether the long-established trend towards retirement at younger ages is now being reversed. In the United States, the labour force participation rate and median age of retirement of older men declined precipitously over a 30-year period beginning in the early 1950s (Clark and Quinn, 2002). By the mid-1980s, the participation rate and retirement age had stabilized and by the mid-1990s had posted modest increases. Consequently, some analysts have asked whether this reversal is simply a "short-lived pause" in long-term trends or a more permanent change in the retirement behaviour of Americans. After considering labour demand, public pension policies, human-resource policies

and individual preferences, Clark and Quinn suggest "...that the trend towards early retirement may have ended and that the twenty-first century will be characterized by later, not earlier, retirement." (Clark and Quinn, 2002).

A similar reversal has been evident in Canada in recent years. After several decades of decline, the labour force participation rate of men aged 60 to 64 reached a low of 43.6% in 1996. Since then, it has increased by 7.3 percentage points, to 50.9% in 2002. Since 1998, a more modest reversal has also been evident in the labour force participation rate of men aged 55 to 59. Among women aged 55 to 59, the labour force participation rate has been on the rise for many years, although the increase has been greater in the last five years than it was through most of the 1980s and 1990s (Statistics Canada, 2002a).[1] The median and average age of retirement have also stabilized after more than two decades of decline and the share of retirement in Canada that occurs before the age of 60—while still far higher than it was ten years ago—reached a high point in 1997 and has tapered off since then (Kieran, 2001). In this context, the question again arises as to whether these developments signal a permanent shift in the retirement behaviour of Canadians or are simply indicative of a brief pause in the longer-term trend toward retirement at younger ages. While an analysis of the retirement plans and preferences of near-retirees does not provide a definitive answer to this question, it does shed some light on how the retirement intentions of this group correspond to emerging trends.

The characteristics of today's near-retirees are very different from those in years past and this too makes it worthwhile considering the retirement plans and expectations of this group. For example, Canadians are living longer than they used to and are spending a greater proportion of their senior years living independently and in good health (Statistics Canada, 2002c; Martel and Bélanger, 2002).[2] These developments have a number of implications, such as the amount of retirement savings that are required to maintain one's standard of living over a longer period of time.

The labour force experiences of women now approaching the retirement transition are also different from those in earlier cohorts. As noted by Katherine Marshall, "women today tend to have high labour force participation rates throughout their adult lives" (Marshall, 2000: 14) and hence, are more likely than previous cohorts to have an attachment to a 'career job' and to have had more opportunity to contribute to both public and private pension plans. The consequence of this is now being seen in the fact that the retirement incomes of women have been moving closer to those of men (Marshall, 2000: 12). Again, the key point is that the labour market experiences of women now approaching retirement are different from those in earlier cohorts, and these are likely to be reflected in the retirement plans and expectations now being formulated.

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1. The upward trend in the labour force participation rate of women in their fifties has been attributable to two countervailing trends. The entry of women into the paid labour force has exerted upward pressure on the participation rate while at the same the trend towards retirement at younger ages has exerted downward pressure on the participation rate.

2. In 1971, a 55 year old man could have expected to live, on average, to 75.8 years of age; by 1999 this had increased to 79.5 years—an increase of 3.7 years. Similarly, life expectancy for a 55 year old woman increased by an average of 3.1 years over this period.

To address these issues, this paper is divided into two analytical sections. In Section 1, we examine near-retirees' perceptions of the adequacy of their financial retirement preparations and address the question: Are Canadians saving enough for retirement? The results, which show that about one-third of near-retirees are concerned about the adequacy of their retirement preparations, are very consistent with findings based on Statistics Canada's *Survey of Financial Security*.

In Section 2, we look at the planned and preferred ages of retirement cited by near-retirees and address two questions: How prevalent are expectations of early retirement among near-retirees? And what are the factors associated with expectations of retirement at different ages? In slightly different terms, we ask: to what extent is there an entrenched culture of early retirement in Canada?

Methodology

Data for this paper were drawn from Statistics Canada's 2002 General Social Survey (GSS). The target population for the 2002 GSS was all persons 45 years of age and over residing in Canada, excluding residents of Nunavut, the Yukon and Northwest Territories, and full-time residents of institutions (see Appendix One for a description of the survey).

The 2002 General Social Survey used a subjective definition of retirement that involved several steps. First, individuals who said their 'main activity' during the past 12 months was "retired" were identified as retirees. Subsequently, individuals who did not identify their main activity as retired were asked "Have you ever retired?" Those who said yes were also identified as retirees. Finally, individuals who said they had never retired were asked a follow-up question that probed the issue in considerable detail, and again, individuals who responded positively to the question were identified as retirees.[3]

Individuals who did not identify themselves as retirees were subsequently asked about their plans and preparations for retirement. In terms of timing, they were asked *"at what age do you plan to retire?"* Respondents likely had a fairly broad understanding of what this might mean, given the various definitions of retirement about which they had just been asked (see Footnote 3).

Of the 24,870 respondents in the 2002 GSS, 9,333 were aged 45 to 59 as of December 31, 2002. Of the respondents in this age group, 6,592 did not identify themselves as retirees and provided information on their planned age of retirement. The majority of these individuals (79.1%) had been employed 49 weeks or more during the year prior to the survey, 14.6% had been employed for 1 to 48 weeks, and 5.8% had not worked at all. A small share (0.5%) did not provide

3. More specifically, individuals were asked, "Retirement does not necessarily mean stopping work permanently. Have you ever retired in any of the following circumstances: You became eligible for a pension or put in enough years for a pension; you received an early retirement package; you significantly reduced the amount of work you did for a business or farm you operated in order to retire; you were permanently laid off or lost a job and did not look for work or gave up looking for work in order to retire; you retired from a job or significantly reduced your work time because of your health; you retired from a job or significantly reduced your work time because you could afford to live on your savings/investments; you retired from a job or significantly reduced your work time because you could afford to live on your spouse's/partner's investment or retirement income; you reduced your work time because of the health of your spouse or relative."

information on the number of weeks they had worked. And 2,741 respondents aged 45 to 59 were excluded from this analysis. These individuals were either already retired, had never worked, had left the labour force before age 30, or did not answer the questions regarding their retirement plans.

Section 1. Perceived Adequacy of Financial Retirement Preparations

In a recent publication, Statistics Canada analysts addressed the question, "Have Canadians saved enough for retirement?" (Statistics Canada 2001). Their study, which was based on the *Survey of Financial Security*, focused on families in which the highest income recipient was an employed individual aged 45 to 64 (i.e., near-retirees). The analysis considered the family's pre-retirement earnings as well as its retirement savings, such as pension entitlements, RSP savings, home equity, business equity and other assets. 'Adequate savings' were defined as assets that would provide the family with a retirement income that would be at least two-thirds of its pre-retirement earnings.[4] The study concluded that one-third of Canadian families approaching retirement "...may not, given their current asset situation, have saved enough to replace two-thirds of their earnings, or to generate an income in retirement that is likely to be above the LICO (Low Income Cutoff)." (Statistics Canada 2001, 27). In short, about one-third of near-retirees may not be saving enough.[5]

The 2002 General Social Survey provides an opportunity to examine further the adequacy of retirement preparations being made. Specifically, GSS respondents who had not yet retired were asked:

> *"Do you feel that you are adequately preparing financially for your retirement?"* and *"At the age that you plan to retire, do you think that your income and investments will be more than adequate, adequate, barely adequate, inadequate or very inadequate to maintain your standard of living?"*

This information allows us to assess how near-retirees feel about their retirement preparations and to address the question of whether Canadians have saved enough, using a very different methodology than the study discussed above.[6] It should be noted that GSS respondents were not provided with a definition of 'adequacy', but rather based their responses on their own interpretation of what this may mean.

In spite of the different approaches used in this analysis and in the other study, both yield very similar results. More specifically, 2002 GSS data indicate that just under one-third of non-retired

4. In addition, savings were defined as adequate only if they provided a retirement income that would be above the Low-Income Cutoff (LICO). The rationale is that this amount is necessary to maintain a basic standard of living. Furthermore, upper limits were set on the amount of retirement income that would be necessary—$60,000 for an individual and $100,000 for a family.

5. There is debate regarding the proportion of pre-retirement earnings that ought to be replaced for an adequate income. See Hamilton 1999.

6. The study based on the Survey of Financial Security examines the adequacy of retirement preparations using detailed financial information provided by survey respondents, while this study examines the adequacy of retirement preparations using subjective assessments of 'adequacy'.

Canadians aged 45 to 59 (30.6%) does not feel that he/she is adequately preparing financially for retirement. Similarly, over one-third (38.0%) believes that his/her retirement income will either be barely adequate, inadequate, or very inadequate to maintain his/her standard of living once he/she has left the labour force.[7] Again, the conclusion appears to be that about one-third of near-retirees may not be saving enough.

A number of demographic and labour market characteristics are associated with the perceived adequacy of retirement preparations. Selected descriptive statistics are provided in Table 1.1. Two logistic regression models were also run to identify associated characteristics, the results of which are presented in Table 1.2. In Model 1, GSS respondents were coded as '1' if they said their financial preparations for retirement were inadequate and as '0' if they said their preparations were adequate. In Model 2, GSS respondents were coded as '1' if they said they expected their retirement income to be 'barely adequate', 'inadequate' or 'very inadequate' to maintain their standard of living after leaving the labour force and as '0' if they expected their retirement income to be 'adequate' or 'more than adequate'. These were the dependent variables in the two models. A series of demographic, employment and financial characteristics were included as independent variables, including gender, age, marital status, education, immigration status, self-assessed health, region of residence, home ownership, pension coverage, household income, class of worker, weeks worked and hours worked.

Turning to the results, a slightly larger share of women than men says that their financial preparations for retirement are inadequate (32.5% and 28.9% respectively), and likewise, women are more likely than men to say they expect their retirement income to be barely adequate or inadequate to maintain their standard of living (41.0% and 35.2% respectively). However, differences between women and men are not statistically significant in the regression models.

Concerns about the adequacy of current preparations are also more prevalent among near-retirees in their late forties (32.6%) than they are among those in their late fifties (27.1%), perhaps reflecting the fact that older individuals have had more time to make financial preparations (Table 1.1).

Marital status is another consideration. Compared with near-retirees who are married or in common-law relationships, those who are widowed, separated or divorced are more likely to say their preparations for retirement are inadequate. They are also more likely to expect their retirement income to be barely adequate or inadequate to maintain their standard of living after retirement. This may reflect the financial costs associated with marital dissolution. Turning to individuals who have never married, the descriptive statistics also suggest that concerns about financial preparations are more prevalent among this group, although results of both regression models indicate that, after taking into account other factors, individuals who have never married are less likely than others to say that their financial preparations are inadequate and to expect their retirement income to be inadequate.

7. We have combined the 'barely adequate' category with the 'inadequate' and 'very inadequate' categories for our presentation. This was done on the grounds that 'barely adequate' retirement income would leave individuals with little capacity to cope with unforeseen circumstances and therefore constitutes a perceived degree of financial vulnerability.

Immigration status is certainly an important factor associated with the perceived adequacy of retirement preparations. While 28.8% of near-retirees who were born in Canada say their financial preparations are inadequate, this is the case for 45.3% of those who immigrated to Canada since 1980. Furthermore, one-half (49.7%) of immigrants who arrived since 1980 expect their retirement income to be less than adequate compared to about one-third (36.1%) of near-retirees born in Canada (Table 1.1). These results are confirmed in both regression models. One reason for this difference is that pension coverage rates are lower among recent immigrants than among other near-retirees.[8] Another consideration is that even among plan members, immigrants who arrived in Canada in more recent years have had less time to make contributions and to build up the retirement benefit to which they are entitled. The same point applies to the Canada/Quebec Pension Plans.[9] Finally, immigrants who arrived in Canada during the 1980s and 1990s have fared poorly in the labour market. For example, using Census data from 1980 to 2000, Frenette and Morissette show that the earnings gap relative to Canadian-born workers was much larger for immigrants who arrived in Canada in the late 1980s than it was for those who arrived in the late 1970s (Frenette and Morissette 2003). These authors conclude that declining earnings among more recent immigrants "...signal a potential drop in immigrants' permanent income and, in the absence of offsetting changes in their savings rates, a potential decline in immigrants' wealth and precautionary savings. Taken together, both factors suggest that, compared to earlier cohorts, recent immigrant cohorts will—at least in the near future—be more likely to have difficulty making ends meet and will also be more financially vulnerable to shocks such as job loss or unexpected expenditures." Poor labour market outcomes are also likely to have a direct bearing on the ability of recent immigrants to make retirement preparations.

The perceived adequacy of retirement preparations is also associated with health status. More specifically, individuals who assess their health as fair or poor are almost twice as likely to view their preparations as inadequate as those who assess their health as excellent (46.1% and 24.9% respectively). Similarly, over one-half (54.7%) of individuals who have poor assessments of their health expect their retirement income to be inadequate (Table 1.1). One likely reason is the more limited labour force involvement of near-retirees in poor health. More specifically, only one-third of near-retirees who rate their health as fair or poor worked throughout the preceding year (49 to 52 weeks), while this was the case for almost three-quarters of those who rate their health as excellent. This has a direct bearing on earnings as well as pension coverage, both of which have implications for retirement savings.

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8. Data from the 2002 GSS show that 58% of 'near-retirees' (that is, non-retired Canadians aged 45 to 59) born in Canada have a pension plan through employment, while this is the case for 48% of those who immigrated to Canada in 1980 or later. Moreover, evidence from the Workplace and Employee Survey (WES)—a linked survey that collects information from both employees and their employers—shows that 9% of immigrants who arrived in Canada since 1991 say that they have some type of employer-sponsored retirement plan, but are employed in workplaces that do not offer such plans. The corresponding proportion for Canadian-born workers is 4%. Thus, recent immigrants misunderstanding of retirement plans could lead *some* of them to save insufficiently during their initial years in Canada which, combined with earnings constraints, may help explain some of their inadequate preparation for retirement (Morissette and Zhang, 2004).

9. This is the case only for those immigrants who have emigrated from countries which do not have a reciprocal arrangement for public retirement benefits.

There is a strong correlation between the perceived adequacy of retirement preparations and various financial characteristics. Specifically, concerns about the adequacy of current retirement preparations and future retirement income are most prevalent among near-retirees who do not have pension coverage, who do not own their home, who have lower personal and household incomes, and fewer weeks of employment during the year. These findings are not surprising given that pension entitlements and home equity are important sources of wealth that may be accumulated throughout one's life, and earnings and income have a direct bearing on one's capacity to save. The importance of these factors is confirmed in the regression models.

The regression results also indicate that after controlling for other factors, paid employees are more likely than self-employed workers to view their retirement preparations as inadequate (Table 1.2). This is consistent with findings from the *Survey of Financial Security* which found that paid employees were less likely than self-employed workers to be able to replace two-thirds of their earnings after withdrawing from the labour force. The authors of that study suggest that business equity is an asset that can potentially be turned into a source of retirement income, thereby enabling self-employed workers to reach the two-thirds earnings replacement level. Furthermore, evidence also shows that self-employed workers plan to retire later than paid employees, and indeed, actually do so (Statistics Canada 2002b). Their 'delayed' retirement may provide them with more time to make financial preparations than is available to paid employees, and in turn, instil greater confidence in the adequacy of their preparations.

Two other findings from the regression model warrant comment. First, after taking other factors into account, the model indicates that near-retirees residing in British Columbia have less favourable assessments of their retirement preparations than near-retirees in other regions. We do not have a ready explanation for this finding. And second, Model 1 indicates that near-retirees with less than high school are less likely than others to say that their retirement preparations are inadequate. Given that older workers with lower levels of education have not fared as well as others in the labour market over the past decade, this finding is somewhat surprising.

Table 1.1 Non-Retired Canadians Aged 45 to 59: Perceived Adequacy of Financial Retirement Preparations, by Selected Characteristics, Canada, 2002

	Percent who say their financial preparations for retirement are inadequate	Percent who say their retirement income will be...		
		More than adequate / Adequate	Barely adequate / Inadequate	Total
Total	30.6	62.0	38.0	100.0
Men	28.9	64.8	35.2	100.0
Women	32.5	59.0	41.0	100.0
Age Group				
45 to 49	32.6	61.6	38.4	100.0
50 to 54	30.0	62.9	37.1	100.0
55 to 59	27.1	61.7	38.3	100.0
Marital Status				
Married or common-law	27.8	65.3	34.7	100.0
Never married	39.5	55.1	44.9	100.0
Widowed, separated, divorced	40.9	48.3	51.7	100.0
Education				
Less than high school	31.7	56.3	43.7	100.0
High school	33.1	58.8	41.2	100.0
Certificate or diploma	31.5	61.3	38.7	100.0
University degree	25.2	70.8	29.2	100.0
Immigration Status				
Canadian-born	28.8	63.9	36.1	100.0
Immigrated before 1980	32.7	57.4	42.6	100.0
Immigrated since 1980	45.3	50.3	49.7	100.0
Self-Assessed Health Status				
Excellent	24.9	68.6	31.4	100.0
Very good	29.9	62.6	37.4	100.0
Good	37.1	55.2	44.8	100.0
Fair or poor	46.1	45.3	54.7	100.0
Region				
Atlantic	29.5	59.8	40.2	100.0
Quebec	31.6	63.4	36.6	100.0
Ontario	29.1	62.8	37.2	100.0
Manitoba/Saskatchewan	28.0	64.7	35.3	100.0
Alberta	30.0	65.5	34.5	100.0
British Columbia	35.0	55.5	44.5	100.0

Table 1.1 Non-Retired Canadians Aged 45 to 59: Perceived Adequacy of Financial Retirement Preparations, by Selected Characteristics, Canada, 2002 (Concluded)

	Percent who say their financial preparations for retirement are inadequate	Percent who say their retirement income will be...		
		More than adequate / Adequate	Barely adequate / Inadequate	Total
Weeks Employed During Year				
No weeks	43.0	46.5	53.5	100.0
Part-year (1-48 weeks)	43.3	53.2	46.8	100.0
Full-year (49-52 weeks)	27.7	64.4	35.6	100.0
Pension Coverage				
Has pension	22.4	68.1	31.9	100.0
Does not have pension	41.7	53.7	46.3	100.0
Housing Tenure				
Owns home	27.2	65.3	34.7	100.0
Rents home	48.3	45.2	54.8	100.0
Household income				
Less than $20,000	67.8	31.4	68.6	100.0
$20,000 to $39,999	47.7	43.1	56.9	100.0
$40,000 to $59,999	34.2	54.6	45.4	100.0
$60,000 to $79,999	29.4	64.5	35.5	100.0
$80,000 or more	17.1	76.2	23.8	100.0

Source: 2002 General Social Survey

Table 1.2 Non-retired Canadians Aged 45 to 59: Logistic regression results on perceived adequacy of financial retirement preparations

	Model 1		Model 2	
	Log odds of saying that financial preparations for retirement are inadequate		Log odds of expecting retirement income to be barely adequate or inadequate	
Men (Reference group)	1.000		1.000	
Women	1.059		1.118	*
Aged 45 to 49	1.790	***	1.214	**
Aged 50 to 54	1.474	***	1.041	
Aged 55 to 59 (Reference group)	1.000		1.000	
Married/Common-law (Reference group)	1.000		1.000	
Never Married	0.826	*	0.761	**
Widowed, Separated, Divorced	1.077		1.224	**
Less than high school	0.797	**	0.878	
High school (Reference group)	1.000		1.000	
Certificate or diploma	1.078		0.904	
Degree	1.077		0.830	**
Canadian-born (Reference group)	1.000		1.000	
Immigrated before 1980	1.419	***	1.463	***
Immigrated since 1980	1.412	***	1.475	***
Health excellent	0.773	***	0.741	***
Health very good (Reference group)	1.000		1.000	
Health good	1.287	***	1.136	*
Health fair or poor	1.760	***	1.526	***
Atlantic	0.797	*	0.914	
Quebec	0.970		0.767	***
Ontario (Reference group)	1.000		1.000	
Manitoba/Saskatchewan	0.993		0.832	
Alberta	1.030		0.955	
British Columbia	1.350	***	1.316	***
Own home (Reference group)	1.000		1.000	
Rent home	1.688	***	1.541	***

Table 1.2 Non-retired Canadians Aged 45 to 59: Logistic regression results on perceived adequacy of financial retirement preparations (Concluded)

	Model 1		Model 2	
	Log odds of saying that financial preparations for retirement are inadequate		Log odds of expecting retirement income to be barely adequate or inadequate	
Does not have pension (Reference group)	1.000		1.000	
Has pension	0.436	***	0.610	***
Less than $20,000	1.639	***	1.465	**
$20,000 to $39,999 (Reference group)	1.000		1.000	
$40,000 to $59,999	0.659	***	0.739	***
$60,000 to $79,999	0.598	***	0.539	***
$80,000 or more	0.291	***	0.318	***
Paid employee (Reference group)	1.000			
Self-employed	0.755	***	0.799	***
Not full-year worker (Reference group)	1.000		1.000	
Full-year workers	0.749	***	0.995	
Full-time hours (Reference group)	1.000		1.000	
Part-time hours	0.929		0.993	
Constant	0.887		1.347	**

* significant at .1 level of confidence
** significant at .05 level of confidence
***significant at .01 level of confidence
Source: 2002 General Social Survey

Overall, about one-third of near-retirees have concerns about the adequacy of their retirement preparations, insofar as they view their current financial preparations as inadequate or they expect their retirement income to be less than adequate to maintain their standard of living. These results are based on the subjective assessments of individuals and cannot be confirmed using the GSS because it does not contain detailed information on earnings and accumulated assets. However, this finding is consistent with evidence from the *Survey of Financial Security* which assessed the adequacy of retirement preparations using information on earnings and assets as well as objective criteria to define 'income adequacy'.

The perceptions and expectations of near-retirees can also be weighed against the actual experiences of older Canadians who have already withdrawn from the labour force. More specifically, GSS respondents who have already retired were asked:

> *Compared to the year before you retired, would you say that you are now better off financially, worse off, or about the same?*

In essence, this question provides *retrospective* information on the adequacy of financial retirement preparations that were made in the past and provides an interesting benchmark against which to compare the *prospective* views of individuals now approaching the retirement transition. To make this comparison, information on the proportion and characteristics of retirees who say that they are financially worse off in retirement is presented in Table 1.3. The analysis is limited to 'recent-retirees', defined as individuals who retired in the years 1992 to 2002 inclusive. A limited set of descriptive statistics is provided for the purpose of comparison; a comprehensive analysis of the adequacy of the income received by these retirees is beyond the scope of this paper.

Among recently retired Canadians, the majority say that their financial situation is about the same as it was the year before they retired (52.5%), and just over 13% say their financial situation has improved since then. Together, two-thirds of recent retirees either experienced no change or an improvement in their financial standard of living following their exit from the labour force. The remainder (34.1%), say they are financially worse off now compared with the year prior to their retirement.[10] This echoes the earlier conclusion that about one-third of retirees may not be saving enough.

The descriptive statistics provided in Table 1.3 suggest that several of the characteristics associated with concerns about the adequacy of financial preparations among near-retirees are also associated with financial shortfalls among recent retirees. For example, women are slightly more likely than men to say they are worse off financially since retirement, and again, individuals who are widowed, separated or divorced are more likely to say that this is the case than those who are married. And again, immigration status and self-assessed health status are both associated with a perceived deterioration in one's financial situation after retirement. Finally, the evidence indicates that recent retirees living in British Columbia are more likely than those in other regions to say that they are worse off financially than they were prior to retirement.

10. The share of recent retirees who say there are worse off financially is very similarly among those who retired between 1992 and 1996 (at 33.2%) and among those who retired between 1997 and 2002 (at 34.8%).

Table 1.3 'Adequacy of income' received by recently retired Canadians and perceived adequacy of expected retirement income among near-retirees, by selected characteristics, Canada, 2002		
	Recently Retired Canadians	Near-Retirees
	Percent who say they are worse off financially compared to the year prior to retirement	Percent who say they expect their retirement income to be barely adequate or inadequate
Total	34.1	38.0
Men	32.1	35.2
Women	36.3	41.0
Current marital status		
Married	31.8	34.7
Never married	33.3	44.9
Widowed, separated or divorced	43.0	51.7
Immigration status		
Canadian-born	31.1	36.1
Immigrant	44.4	44.9
Health at time of retirement/Current health		
Excellent	25.5	31.4
Very good	28.6	37.4
Good	32.9	44.8
Fair or poor	53.1	54.7
Current region of residence		
Atlantic	34.5	40.2
Quebec	28.7	36.6
Ontario	35.9	37.2
Manitoba/Saskatchewan	25.0	35.3
Alberta	34.8	34.5
British Columbia	41.6	44.5
Source: 2002 General Social Survey		

Section 2: The Retirement Plans of near-retirees

We now turn our attention to the age at which Canadians in their late forties and fifties plan on retiring. As noted at the outset, these plans and expectations have implications for how receptive older workers may be to initiatives designed to encourage them to remain in the labour force. Moreover, labour market adjustments that will occur over the next decade will be shaped, in part, by the extent to which retirement occurs at younger ages. If retirement at or before age 60 is widespread among the baby boom generation, labour market adjustments will occur sooner than would otherwise be the case.

The 2002 General Social Survey (GSS) provides an excellent opportunity to examine the planned and preferred retirement ages of near-retirees. Non-retired respondents in the GSS were asked, "A*t what age do you plan to retire?*" Again, our analysis is limited to individuals who were 45 to 59 years of age at the time of the survey. Altogether, 6,592 GSS respondents in this age group, representing 4.5 million Canadians, were asked this question. While most of these respondents (69.5%) stated a specific age at which they plan on retiring, considerable shares either said that they do not intend to retire (18.4%) or that they do not know the age at which they plan to retire (12.1%). Together, these two groups account for nearly one-third (30.5%) of near-retirees. We begin our analysis by considering the characteristics of individuals in these groups.

Table 2.1. Stated Retirement Intentions of Non-Retired Canadians Aged 45 to 59, Canada, 2002

	Percent who stated a planned age of retirement	Percent who said they do not intend to retire	Percent who said they do not know their planned age of retirement	Total
Total	69.5	18.4	12.1	100.0
Men	70.3	18.5	11.2	100.0
Women	68.8	18.2	13.0	100.0

Source: 2002 General Social Survey

Do Not Know Planned Age of Retirement

It may not be surprising that 12 percent of near-retirees do not know when they plan to retire given that this transition is likely to be 10, 15 or even 20 years ahead for many of them. Much can happen in the intervening period and plans may be difficult to make in the face of such uncertainty. The evidence suggests that such uncertainty is associated with financial characteristics and the retirement preparations being made by individuals.

Selected descriptive statistics on the characteristics of individuals who are uncertain about their planned age of retirement are provided in Table 2.2. A more complete set of descriptive statistics is provided in Appendix Two, Tables 1 and 2. In terms of financial security, uncertainty about the timing of retirement is strongly correlated with personal and household income. For example, 18% of near-retirees with a personal annual income of less than $20,000 say they don't know when they will retire, while this is the case for 6% of near-retirees with personal income of $60,000 or more. There is also a strong correlation with household income. Pension coverage is another important consideration. While 21% of near-retirees who are not included in a pension plan (besides Canada/Quebec Pension Plan) are uncertain about their planned age of retirement, this is the case for 8% of those included in such a plan. For members of defined-benefit pension plans, uncertainty is no doubt reduced by the fact that their eligibility for benefits (and hence the timing of their retirement) can be calculated on the basis of their age, their years of pensionable service and their pension plan criteria.[11]

11. In 1999, 85.4% of individuals who were members of a registered pension plan belonged to a defined-benefit plan; 13.1% belonged to a defined-contribution plan; and 1.5% belonged to a mixed plan (Statistics Canada, 2000).

The perceived adequacy of one's retirement preparations is another important consideration. More specifically, individuals who do not feel they are making adequate financial preparations for retirement are far more likely to say they don't know when they will retire than those who feel they are making adequate financial preparations (22 and 9% respectively). Similarly, uncertainty is most prevalent among near-retirees who expect their retirement income will be inadequate to maintain their standard of living after they leave the labour force.

Greater uncertainty about the timing of retirement is also more prevalent among self-employed individuals than paid employees, and among immigrants than persons born in Canada.

Table 2.2. Stated Retirement Intentions among Non-Retired Canadians Aged 45 to 59, by Selected Characteristics, Canada, 2002

	Percent who stated a planned age of retirement	Percent who say they do not intend to retire	Percent who say they do not know at what age they plan on retiring	Total
Age				
45 to 49 years	70.5	16.6	12.9	100
50 to 54 years	69.3	19.2	11.5	100
55 to 59 years	67.9	20.9	11.2	100
Immigration Status				
Canadian-born	72.0	17.1	10.9	100
Immigrated prior to 1980	67.3	18.7	14.0	100
Immigrated since 1980	53.2	28.4	18.4	100
Class of worker				
Paid employee	75.8	13.5	10.8	100
Self-employed	54.2	30.5	15.2	100
Pension coverage				
Yes	92.3	na	7.7	100
No	78.7	na	21.3	100
Housing tenure				
Owned	71.4	16.9	11.8	100
Rented	62.1	25.5	12.5	100
Personal income				
Less than $20,000	52.9	29.3	17.8	100
$20,000 to $29,999	67.0	19.6	13.5	100
$30,000 to $39,999	79.3	11.9	8.9	100
$40,000 to $59,999	80.1	10.8	9.2	100
$60,000 or more	82.3	11.5	6.2	100
Household income				
Less than $20,000	38.3	40.1	21.7	100
$20,000 to $39,999	65.4	22.6	12.1	100
$40,000 to $59,999	73.6	15.0	11.4	100
$60,000 to $79,999	78.6	12.4	9.1	100
$80,000 or more	79.8	12.1	8.1	100
Perceptions of retirement preparations				
View financial prep as adequate	91.0	na	9.0	100
View financial prep as inadequate	78.5	na	21.5	100

na – Persons who said they did not intend to retire were not asked this question.
Source: 2002 General Social Survey

The results of these descriptive statistics are confirmed when multivariate techniques are used (see Appendix Two, Table 3). A logistic regression was run in which near-retirees were coded as 1 if they said they did not know their planned age of retirement and 0 if they said they did. This was used as the dependent variable in the model. Independent variables included gender, age, marital status, education, immigration status, self-assessed health, class of worker, housing tenure, household income, perceived adequacy of retirement preparations and pension coverage. Again, greater likelihood of reporting that one does not know one's planned age of retirement is associated with lower household income, lack of pension coverage and perceptions that retirement preparations are inadequate.

In addition to these factors, uncertainty about the timing of retirement is also associated with demographic characteristics. Persons 45 to 49 years of age are more likely than persons in older age groups to say they don't know when they will retire, which is not surprising given that retirement is a more distant event for persons in younger age groups. Furthermore, women are more likely than men to say that they don't know when they will retire. And finally, immigrants are more likely than Canadian-born persons to express uncertainty about the timing of their retirement.

Finally, in terms of labour market characteristics, uncertainty about the planned age of retirement is far more prevalent among self-employed workers than paid employees. This may reflect a greater degree of control that self-employed workers exercise over their work, providing them with greater latitude in their retirement transition than is typically available to paid employees. Alternatively, self-employed workers may be more uncertain about their earnings in future years and the impact this will have on the timing of their retirement.

Do Not Intend to Retire

As noted at the outset of the paper, there has been a longstanding and well-documented trend towards retirement at younger ages in Canada. In 2002, less than 7 percent of Canadians aged 65 or older participated in the paid labour force, and less than 4 percent of Canadians aged 70 or older did so. Against these benchmarks, it is surprising to find that almost one-fifth (18%) of Canadians aged 45 to 59 say that they do not intend to retire. Rather than foreshadowing an abrupt turnaround in retirement behaviours, the evidence suggests that a more cautious interpretation of this finding is warranted.

Looking again at the descriptive statistics provided in Table 2.2, we find that the likelihood of not intending to retire is strongly associated with financial characteristics. For example, 40% of individuals in households with incomes under $20,000 say they will not retire, compared with 23% of individuals in households with incomes of $20,000 to $39,999, and 12% of individuals in households with incomes of $60,000 or more. Similarly, there is a strong correlation between personal income and such intentions. Home ownership, which is a measure of personal wealth and financial security, is another important consideration. Near-retirees living in rented accommodation are more likely to say that they will not retire than those who own their homes (26% and 17% respectively).

In terms of demographic characteristics, intentions of not retiring are most prevalent among immigrants who have been in Canada for 20 years or less. Indeed, 28% of these near-retirees say they do not intend to retire. As noted above, recent immigrants have not fared well in the labour market through the 1990s and in this context, it may be that labour market and financial insecurity are motivating factors behind their stated intention to forego retirement. Having had less time to accumulate retirement benefits in public and private pensions benefits is another consideration. Finally, intentions of not retiring are more prevalent among self-employed workers than among paid employees.

The main findings drawn from these descriptive statistics are again confirmed when multivariate techniques are used. A logistic regression model was constructed in which near-retirees were coded as 1 if they said they did not intend to retire and as 0 if they stated an age at which they plan on retiring. The same set of independent variables discussed above was included in the model, with the exception of pension coverage and perceived adequacy of retirement preparations. These were excluded because the GSS did not collect this information from persons who said they do not intend to retire.

As shown in Appendix Two, Table 4, the stated intention of not retiring is strongly correlated with household income, as well as with home ownership, immigration status and self-employment. Moreover, the multivariate analysis indicates that the likelihood of saying one does not intend to retire is positively correlated with higher levels of educational attainment—specifically, a university degree. In other words, individuals with a degree are more likely than those with high school to say that they intend to remain on the job. Marital status is also a significant factor, as intentions of not retiring are less prevalent among persons who have never been married than they are among persons who are in married or common-law relationships.

To sum up the analysis thus far, nearly one-third of near-retirees (30.5%) express a degree of uncertainty regarding the timing of their retirement. These individuals either say that they do not know when they plan on retiring or that they do not intend to retire at all. These responses are significantly associated with financial characteristics—such as personal and household income, pension coverage and home ownership, as well as perceived adequacy of retirement preparations. Other factors are also important, including self-employment status, immigration status and marital status. A somewhat cautious interpretation of the fact that 18% of near-retirees say they will not retire has been provided. If such intentions were indeed carried out by these individuals, it would be a significant reversal of retirement trends, especially given that less than 4% of Canadians 70 years of age or older currently participate in the paid labour force. However, rather than being an indicator of future intentions, it may be the case that at least some of these individuals view retirement as a financially worrisome transition, and their stated intention to forego retirement reflects concerns about their financial ability to permanently withdraw from paid employment. This interpretation is consistent with the fact that such intentions are strongly associated with financial characteristics, such as income, pension coverage and home ownership.

Moreover, this interpretation is tenable when comparisons are made between the retirement intentions of near-retirees in 1991 and 2002. Drawing on evidence from Statistics Canada's 1991 Survey of Ageing and Independence, we find that almost one-quarter (23.7%) of near-retirees who were employed throughout the previous year said they did not know when they planned on

retiring (see Table 2.3) and only 1.8% said they did not intend to retire.[12] Together, 25.5% of near-retirees were in these two groups, with almost all in the 'don't know' category. In 2002, the overall share of near-retirees (who were employed throughout the previous year) in these two groups was comparable to the 1991 figure (26.9% and 25.5% respectively). However, the shares in the 'don't know' and 'do not intend to retire' categories were far different. While differences between these years may reflect changes in retirement intentions, it seems more likely that 2002 respondents who were uncertain about their retirement intentions were more likely than their 1991 counterparts to say they were planning to forego retirement.

Table 2.3. Stated Retirement Intentions among 'Near-Retirees' Employed on a Full-Year Basis, Canada 1991 and 2002

	Percent who stated a planned age of retirement	Percent who say they do not intend to retire	Percent who say they do not know at what age they plan on retiring	Total
1991	74.5	1.8	23.7	100
2002	73.1	16.3	10.6	100

Source: Statistics Canada 1991 Survey on Ageing and Independence (SAI) and 2002 General Social Survey (GSS)

Planned Age of Retirement

We now turn our attention to near-retirees who stated the age at which they plan on retiring. Again, some comments on the data are warranted. Even though individuals say that they plan on retiring at a specific age (often age 55, 60 or 65), these plans may only be a 'best guess' since the retirement transition is still several years away for many of these respondents. Moreover, even well-made plans can be altered by unforeseen circumstances, raising questions about the extent to which pre-retirement plans correspond with subsequent retirement behaviour. Given these considerations, it is prudent to consider the planned age of retirement reported by GSS respondents as *preferences* that may or may not come to fruition. Even so, these preferences warrant investigation as they will be one factor that near-retirees will consider as they formulate expectations and plans for labour force exit. It must also be noted that the planned ages of retirement reported by near-retirees are quite consistent with the actual retirement behaviour of Canadians in older age groups. More specifically, the average planned retirement age cited by near-retirees in the GSS is 60.8 years, which is just under the average actual age of retirement derived from Statistics Canada's Labour Force Survey (LFS)—at 61.2 years.

A detailed profile of the retirement plans of Canadians aged 45 to 59 is provided in Table 2.4. Overall, 22% of near-retirees say that they plan on retiring before age 60, with comparable shares saying they plan on retiring at age 60 to 64 (22.1%) and at age 65 (22.6%). Less than 3% of near-retirees say that they plan on retiring at age 66 or older.

12. There are differences in the designs of the 1991 SAI and 2002 GSS questionnaires. Consequently, it is necessary to limit comparisons of near-retirees (i.e., non-retired Canadians aged 45 to 59) to those who were employed for 52 weeks during the year prior to the survey. In Table 2.3, near-retirees in 1991 were 'currently employed' at the time of the survey, while this criterion was not applied to near-retirees in 2002 because of data limitations.

Among full-year workers, the plans of near-retirees were very similar in 1991 and 2002 and in this respect expectations of early retirement were no more prevalent in 2002 than they had been a decade earlier (see bottom panel of Table 2.4).

Table 2.4 Non-Retired Canadians Aged 45 to 59: Retirement Intentions by Gender, Canada 1991 and 2002

All Near-retirees	Planned age of retirement				Do not know / Do not intend to retire	Total
	Before Age 60	Age 60 to 64	Age 65	Age 66 or older		
Total	22.0	22.1	22.6	2.7	30.5	100.0
Men	21.4	22.0	23.5	3.4	29.7	100.0
Women	22.8	22.3	21.7	2.0	31.3	100.0
Near-retirees employed full-year	**Before Age 60**	**Age 60 to 64**	**Age 65**	**Age 66 or older**	**Do not know / Do not intend to retire**	**Total**
Total						
1991	25.9	25.3	21.4	1.8	25.5	100.0
2002	24.7	23.6	22.1	2.7	26.9	100.0
Men						
1991	25.7	26.0	22.5	2.3	23.5	100.0
2002	24.0	23.1	22.6	3.3	27.1	100.0
Women						
1991	26.2	24.4	19.7	1.1	28.5	100.0
2002	25.4	24.3	21.5	2.0	26.8	100.0

Source: 2002 General Social Survey and 1991 Survey of Ageing and Independence

A number of demographic, employment and financial characteristics are associated with the planned age of retirement in 2002. Descriptive statistics are provided in Tables 2.5, 2.6 and 2.7. For ease of presentation, this information is presented using three categories: near-retirees who plan on retiring before age 62; near-retirees who plan on retiring at age 62 or older; and near-retirees who say they do not know when they plan on retiring or who do not intend to retire. Descriptive statistics using the more detailed categories shown in Table 2.4 are provided in Appendix Two, Tables 5, 6 and 7.

Plans for early retirement are most prevalent among near-retirees in their late forties, with 44.5% of them saying they plan on retiring before they are 62 years of age. This may reflect optimistic expectations among this group given that retirement is still some years away. Among persons in their late fifties, expectations of early retirement are less prevalent, in part, because some of those who planned on retiring early have already done so, while those who prefer to retire later or who must do so because of financial circumstances remain in the labour force. Moreover, individuals in their fifties have less time remaining to financially prepare for retirement than those in their forties, and hence may have more sober assessments of their financial resources and their prospects for early labour force exit.

Planned age of retirement is also associated with marital status. Individuals who are married or in common-law relationships are more likely to plan on retiring early than those who never married or are widowed, separated or divorced. This may reflect the financial security derived from having more than one earner in the household and from savings achieved through household economies of scale.

Immigration status is another important consideration. Among near-retirees who immigrated to Canada in the last 20 years, only 19% plan on retiring before 62 years of age, and the average planned age of retirement among this group is 63.0 years. This is considerably higher than the average of 60.6 years among Canadian-born persons. As noted earlier, more recent immigrants may have had less time than other people to contribute to private or public pension plans, and hence, may be less likely to have the financial resources needed for early labour force exit. Moreover, as noted earlier, immigrants who arrived in Canada during the 1980s and 1990s have not fared as well in the labour market as those who arrived in earlier years, which may have a direct bearing on the ability of more recent arrivals to prepare for retirement.

Finally in terms of demographic characteristics, the descriptive statistics indicate that plans to retire before age 62 are associated with higher levels of educational attainment (high school or more), positive assessments of one's health, and not having younger children in the household.

Table 2.5. Non-Retired Canadians Aged 45 to 59: Retirement Intentions by Selected Demographic characteristics, Canada, 2002

	Plan to retire before age 62	Plan to retire at age 62 or older	Do not know/ Do not intend to retire	Total	Average planned age of retirement *
Total	40.5	29.0	30.5	100.0	60.8
Age Group					
45 to 49	44.5	26.1	29.4	100.0	60.0
50 to 54	42.4	26.8	30.8	100.0	60.8
55 to 59	28.4	39.4	32.2	100.0	62.8
Marital Status					
Married or common-law	43.0	28.0	29.0	100.0	60.6
Never married	33.4	30.8	35.8	100.0	61.1
Widowed, divorced, separated	31.6	33.5	35.0	100.0	61.9
Education					
Less than high school	31.8	29.3	38.9	100.0	61.4
High school/Some post-sec	41.3	29.6	29.1	100.0	60.8
Certificate or diploma	45.4	26.8	27.8	100.0	60.5
University degree	40.1	31.1	28.8	100.0	61.0
Immigration Status					
Canadian-born	44.0	28.0	28.0	100.0	60.6
Immigrated before 1980	36.0	31.4	32.7	100.0	61.3
Immigrated since 1980	19.1	34.1	46.8	100.0	63.0
Self-assessed Health					
Excellent	41.0	29.8	29.2	100.0	60.9
Very good	42.6	29.8	27.6	100.0	60.7
Good	39.7	26.7	33.6	100.0	60.8
Fair or poor	30.3	28.1	41.6	100.0	61.5
Age of respondent's youngest child					
No children under 25 years of age	39.1	29.8	31.1	100.0	61.1
Youngest child less than 12 years	38.9	32.2	28.9	100.0	61.1
Youngest child 13 or 14 years	39.4	34.3	26.3	100.0	61.1
Youngest child 15 to 18 years	44.0	25.3	30.7	100.0	60.3
Youngest child 19 to 24 years	44.2	25.4	30.4	100.0	60.3

* Based on responses of near-retirees who stated a planned age of retirement.
Source: 2002 General Social Survey

When labour market and financial characteristics are considered, the issues of economic security raised earlier in this section are again evident. For example, plans for early retirement are most prevalent among individuals who worked throughout the preceding year (49 weeks or more), who were employed on a full-time basis, and who did not receive any income from the Employment Insurance program—a proxy for unemployment (see Table 5).[13] These all suggest that the amount of time spent in paid employment, and in turn the financial resources mustered by an individual, are important factors associated with plans for early retirement.

This is evident in other ways as well. Pension coverage is critical in retirement plans, as 62% of near-retirees with pension coverage plan on retiring before age 62 compared with 35% of near-retirees without such coverage. Home ownership is also a consideration, as individuals who own rather than rent their home are more likely to plan on retiring early. Finally, plans for early retirement are strongly associated with higher levels of personal and household income.

Variations in the planned age of retirement are evident across different occupations and industries, no doubt reflecting factors such as pension coverage and rates of self-employment. More specifically, plans for early retirement are least prevalent among near-retirees working in sales, service and blue collar occupations, while in terms of industries, plans for early retirement are most prevalent in public administration and educational services—two sectors characterized by high rates of unionization and pension coverage[14].

The relationship between financial resources and retirement plans is also evident in the assessments that Canadians have of their retirement preparations. Of those near-retirees who say they are adequately preparing for retiring, 60 percent plan on retiring before age 62, compared with 32 percent of those who feel their preparations are inadequate. Similarly, plans for early retirement are most prevalent among individuals who feel that their income and investments will be adequate to maintain their standard of living once they've left the labour force. Finally, the planned age of retirement is associated with anticipated reasons for retirement. Specifically, individuals who say that their desire to stop working, the adequacy of their retirement income, and early retirement incentives offered by their employer are likely to be influential factors in their retirement decision are more likely than others to plan on retiring before age 62. Conversely, individuals who say they will likely retire because of job loss and unemployment, mandatory retirement policies and health considerations are more likely than others to plan on retiring at age 62 or later.

13. Some persons who received income from the Employment Insurance program may have received maternity or parental benefits. However, this share is likely small given our focus on persons aged 45 to 59.

14. In 1999, 43% of all employees who belonged to a registered pension plan were employed by federal, provincial or municipal governments (Statistics Canada 2000).

Table 2.6. Non-Retired Canadians Aged 45 to 59: Retirement Intentions by Selected Labour Force Characteristics, Canada, 2002

	Percent plan to retire before age 62	Percent plan to retire at age 62 or older	Do not know/ do not intend to retire	Total	Average
Annual Weeks Worked					
None	16.6	22.7	60.6	100.0	62.3
1 to 26 weeks	24.1	31.3	44.6	100.0	61.9
27 to 48 weeks	34.4	34.1	31.5	100.0	62.0
49 to 52 weeks	44.3	28.8	26.9	100.0	60.6
Weekly Hours					
Less than 30	43.8	29.8	26.4	100.0	61.9
30 or more	29.9	27.6	42.5	100.0	60.7
Received EI during the year					
Yes	31.8	32.4	35.8	100.0	61.7
No	41.9	28.7	29.4	100.0	60.7
Class of Worker					
Paid employee	46.5	29.2	24.2	100.0	60.5
Self-employed	24.0	30.2	45.8	100.0	62.6
Occupation					
Managerial	43.2	28.4	28.4	100.0	60.9
Professional	47.5	28.3	24.2	100.0	60.5
Technical	46.3	27.9	25.8	100.0	60.0
Clerical	51.6	28.0	20.4	100.0	60.2
Sales and service	34.5	31.8	33.7	100.0	61.4
Blue collar	36.5	30.2	33.3	100.0	61.1
Industry					
Primary industries	33.2	23.7	43.1	100.0	60.9
Utilities & transportation	46.5	27.7	25.9	100.0	60.5
Manufacturing & construction	39.1	30.1	30.8	100.0	60.9
Trade	39.2	33.7	27.1	100.0	61.5
FIRE & professional services	35.5	31.6	32.9	100.0	61.5
Education services	56.2	26.2	17.6	100.0	59.9
Health & social services	43.9	29.8	26.3	100.0	60.6
Accommodation & other services	34.2	30.9	34.9	100.0	61.5
Public Administration	66.0	21.4	12.6	100.0	58.9

Primary industries include agriculture, forestry, fishing, mining, oil and gas.

FIRE and professional services includes finance, insurance, real estate, professional, scientific and technical services, and management, administrative and other support. scientific and technical services, and management, administrative and other support. Accommodation and other services includes accommodation, food, information, culture, recreation and other services.

Table 2.7. Non-Retired Canadians Aged 45 to 59: Retirement Intentions by Selected Financial Characteristics, Canada, 2002

	Plan to retire before age 62	Plan to retire at age 62 or older	Do not know/ do not intend to retire	Total	Average
Pension Coverage					
Has pension	62.4	30.0	7.7	100.0	59.9
Does not have pension	34.9	43.9	21.3	100.0	62.3
Housing Tenure					
Owned	43.9	27.5	28.6	100.0	60.6
Not owned	25.7	36.3	37.9	100.0	62.2
Personal Income					
Less than $20,000	23.9	29.0	47.1	100.0	62.0
$20,000 to $29,999	30.6	36.4	33.0	100.0	62.1
$30,000 to $39,999	43.6	35.7	20.7	100.0	60.9
$40,000 to $59,999	51.3	28.7	19.9	100.0	60.3
$60,000 or more	55.8	26.5	17.7	100.0	60.1
Household Income					
Less than $20,000	11.6	26.6	61.7	100.0	63.2
$20,000 to $39,999	26.0	39.3	34.6	100.0	62.5
$40,000 to $59,999	39.9	33.7	26.4	100.0	61.2
$60,000 to $79,999	51.1	27.5	21.4	100.0	60.3
$80,000 or more	54.2	25.6	20.2	100.0	59.9
Perception of financial retirement preparations					
Current preparations viewed as adequate	60.2	30.7	9.0	100.0	60.0
Current preparations not viewed as adequate	30.8	47.6	21.5	100.0	62.7
Expected Adequacy of Retirement Income					
More than adequate	65.6	22.8	11.6	100.0	59.2
Adequate	59.4	31.3	9.3	100.0	60.2
Barely adequate	46.6	41.7	11.7	100.0	61.4
Inadequate/very inadequate	29.3	46.2	24.5	100.0	62.6

Source: 2002 General Social Survey

The findings from Tables 2.5, 2.6 and 2.7 are largely confirmed when multivariate techniques are used to examine the characteristics associated with planned age of retirement. An ordinary least squares regression model was constructed, in which the planned age of retirement (with a range of 48 to 80 years) was the dependent variable. A series of demographic, labour market, financial and retirement-related variables were included in the model, the results of which are presented in Appendix Two, Table 8.

The importance of financial characteristics are confirmed by the regression model, with plans for retirement at younger ages positively associated with pension coverage, home ownership, higher income, full-year employment, and confidence in the adequacy of one's retirement preparations. Quite clearly, economic security is a key factor associated with the anticipated timing of retirement.

A number of demographic characteristics are also important. Specifically, plans for retirement at older ages are more prevalent among recent immigrants than among Canadian born persons; among individuals who are separated, widowed or divorced rather than married or common-law; and among persons in their late fifties rather than their forties. The regression results also indicate the men plan on retiring at older ages than women once other factors are taken into account. Furthermore, plans for retirement at older ages are associated with higher levels of educational attainment—specifically a university degree, and more positive assessments of one's health.

Finally, the planned age of retirement is associated with anticipated reasons for retirement. Specifically, plans for earlier retirement are positively associated with the expectation that retirement will occur because of a desire to stop working, early retirement incentives offered by the employer, a desire to work part-time or to start a new career, and the need to provide care to a family member. Conversely, plans for retirement at older ages are associated with the expectations that retirement will occur because of health problems, unemployment and mandatory retirement policies.

To conclude our analysis, we turn our attention from the age at which Canadians say they *plan* to retire, to the age at which they say they would *like* to retire. The latter focuses more explicitly on the preferences of near-retirees without regard for the constraints they might face. Specifically, GSS respondents were asked "*If you could choose, at what age would you like to retire?*" (Emphasis added). It is important to note that the 18.4% of near-retirees who said they do not intend to retire were not asked this question.[15]

Using this measure, it is very clear that Canadians aged 45 to 59 find the idea of early retirement very appealing. Indeed, 66.0% say that, if they could choose, they would retire before age 60 and 88.0% say they would retire before age 65. Only 12% of near-retirees would leave the labour force at age 65 or older, if they had a choice in the matter.

15. Note that individuals who said they 'did not know' their planned age of retirement were asked the question regarding the age at which they would like to retire.

In most cases (65.2%), individuals would prefer to retire sooner than planned. This is the case for three-quarters of those who plan on retiring at age 65, and even among those who plan on retiring before age 60, over one-half say they would prefer to retire *even earlier*. In slightly different terms, the average *preferred* age of retirement among non-retired Canadians aged 45 to 59 is 56.5 years—which is 4.3 years earlier than the average planned age of retirement.

Table 2.8. Non Retired Canadians Aged 45 to 59: Preferred Age of Retirement Relative to Planned Age of Retirement, Selected Characteristics, Canada, 2002

	Preferred age of retirement is...			
	Earlier than planned age	Same as planned age	Later than planned age	Total
Total	65.2	31.7	3.0	100.0
Men	67.1	29.8	3.1	100.0
Women	63.2	33.9	2.9	100.0
Planned retirement age				
Less than age 62	59.9	37.3	2.8	100.0
Age 62 or older	73.1	23.6	3.3	100.0
Less than age 60	53.4	42.7	3.9	100.0
Age 60 to 64	68.9	29.5	na	100.0
Age 65	74.4	21.7	3.9	100.0
Age 66 or older	57.6	41.1	na	100.0

na – Sample size too small to provide reliable estimate.
Source: 2002 General Social Survey

All in all, there is a considerable gap between the retirement preferences and the retirement plans of Canadians. Simply put, individuals would like to leave the labour force far sooner than they are able. Such sentiments are very prevalent and in this respect, there is a *culture of early retirement* in Canada. However, such preferences are tempered by the circumstances and constraints that individuals face.

Conclusions

The focus of this paper has been on the plans, preferences and expectations of Canadians approaching the retirement transition. Such issues must be approached with a degree of caution given that people may be uncertain about their plans, and because their preferences and expectations may change over time. In short, plans, preferences and expectations are something of a 'moving target' and are subject to a degree of speculation. Nonetheless, analysis of these issues does provide an opportunity to assess how members of the baby boom generation view their upcoming retirement. This is all-the-more important given the absolute number of people that will be making the retirement transition over the next decade and the implications this will have for labour force adjustment.

Returning to the questions that were posed at the outset, evidence from the 2002 GSS indicates that most near-retirees are confident about the financial preparations they are making for

retirement and they expect to maintain their standard of living after they've left the labour force. However, about one-third of near-retirees express concerns about the adequacy of their financial preparations and their standard of living in the years ahead. The factors associated with such uncertainty are not unexpected—with income, pension coverage, and home ownership being strong correlates. Such concerns are also prevalent among some demographic groups, including recent immigrants; individuals who are widowed, separated or divorced; and people who do not have favourable assessments of their health.

Turning to the planned age of retirement, evidence from the 2002 GSS underscores the extent to which near-retirees are uncertain about this. Nearly one-third of non-retired Canadians aged 45 to 59 are either unable or unwilling to state the age at which they plan to retire. Some simply do not know when they plan to retire (12.1%), while others say they do not intend to retire at all (18.4%). The intention to forego retirement may reflect actual plans to remain in the workforce for either personal or financial reasons, or may reflect the perception that retirement is a distant and seemingly an unattainable goal given current circumstances. Uncertainty of this nature is again associated with various measures of financial insecurity, including lower income and not owning one's home.

The analysis presented above provides some insights on the extent to which a *culture of early retirement* is prevalent in Canada. There is certainly considerable appetite among near-retirees for leaving the labour force sooner than later. Indeed, the majority of near-retirees (66%) would prefer to leave the paid labour force before they reach the age of 60, and in this respect, early retirement remains an ideal to which most Canadians aspire. Hence, a *culture of early retirement* is prevalent if defined in terms of aspirations.

The picture changes somewhat if plans rather than preferences are considered. More specifically, less than one-quarter of near-retirees (22%) plan to leave the labour force before age 60, and even among those aged 45 to 54 (who tend to be most optimistic in this respect) only about one-quarter plan to leave the labour force before 60. In short, there is quite a gap between retirement preferences and plans, and the *culture of early retirement* is less prevalent if defined in terms of the latter. Moreover, when comparisons are drawn between different age cohorts, we find that the plans of near-retirees in 2002 look very similar to those of near-retirees in 1991, and in this respect, expectations of early retirement are no more prevalent now than they were a decade ago.[16]

In the analysis presented above, the unique circumstances of recent immigrants are repeatedly documented. Compared to near-retirees who were born in Canada, immigrants are more likely to

16. Caution must be exercised in interpreting this finding. First, it may be the case that through the 1990s expectations of early retirement did indeed become far more prevalent, especially given the optimism that was likely generated by buoyant stock markets in the late 1990s. However, with the correction in stock prices that occurred through the early 2000s, near-retirees may have adjusted their retirement plans in accordance with the returns on their investment income. Comparisons drawn between 1991 and 2002 do not take into account trends in the intervening years. And second, although retirement plans may be similar in 1991 and 2002, it does not necessarily follow that these will translate into comparable retirement behaviours. As we noted earlier, even the best laid plans may be changed by preference or unforeseen circumstances, and while the plans of near-retirees in different cohorts are similar, the extent to which these come to fruition may vary over time. Additional analysis using surveys from other years would allow us to explore this issue; this is beyond the scope of this paper.

have concerns regarding their financial preparations for retirement, are more likely to express uncertainty over the timing of their retirement, and are more likely to plan on retiring at older ages. Recent research shows that immigrants who arrived in Canada through the late 1980s and 1990s have experienced a 'drastic deterioration' in their earnings relative to Canadian-born workers, and have also experienced a substantial increase in their incidence of low-income (Frenette and Morissette 2003; Morissette 2002; Picot and Hou 2003). As the leading edge of immigrant cohorts that arrived in Canada in the 1980s now approach the retirement transition, it appears that the negative consequences of their poor labour market prospects are becoming evident in their retirement plans and expectations.

As a final point, it should be noted that the analysis above did not specifically address *how* near-retirees expect to retire in the years ahead. Evidence from the 2002 GSS illustrates the extent to which the retirement transition is *blurry*. A considerable share of Canadians who retired during the years since 1992 (about one-quarter of them) eventually returned to the paid work force at a subsequent point in time. Furthermore, about one-third of recent retirees said that, although they retired voluntarily, they would have been willing to continue doing paid work had the circumstances of their employment been different. Others left the labour force involuntarily, most often because of health problems. These various transitions are noted here to exemplify, first, the fact that the 2002 GSS is a rich source of data that can be used to address a range of research questions that go well beyond those addressed in this paper, and second, the complex nature of the retirement process that is difficult to capture in questions regarding its timing alone.

Appendix 1:

In 2002, respondents were randomly selected from a list of individuals aged 45 years and over who had responded to another Statistics Canada survey. In the GSS, all respondents were contacted and interviewed by telephone. Households without telephones were therefore excluded; however, persons living in such households represent less than 2% of the target population. Survey estimates have been adjusted (i.e., weighted) to account for persons without telephones.

Data from the 2002 GSS were collected monthly from February to December of 2002. The sample was evenly distributed over the 11 months to represent seasonal variation in the information. From the 28,837 potential respondents in the GSS Cycle 16 sample, 24,870 usable responses were obtained. This produced a response rate of over 86%.

Appendix 2:

Appendix Table 1. Stated Retirement Intentions Among Non-Retired Canadians Aged 45 to 59, By Selected Demographic Characteristics, Canada, 2002

	Percent who stated a planned age of retirement	Percent who say they do not intend to retire	Percent who say they do not know at what age they plan on retiring	Total
Age				
45 to 49 years	70.5	16.6	12.9	100
50 to 54 years	69.3	19.2	11.5	100
55 to 59 years	67.9	20.9	11.2	100
Marital Status				
Married	71.0	17.2	11.8	100
Separated, widowed or divorced	64.2	23.0	12.0	100
Never married	65.0	21.6	14.2	100
Education				
Less than high school	61.1	23.8	15.1	100
High school	70.9	17.6	11.4	100
Certificate / diploma	72.2	16.6	11.2	100
University degree	71.2	17.8	11.1	100
Immigration Status				
Canadian-born	72.0	17.1	10.9	100
Immigrated prior to 1980	67.3	18.7	14.0	100
Immigrated since 1980	53.2	28.4	18.4	100
Self-assessed health status				
Excellent	70.8	17.9	11.3	100
Very good	72.4	16.1	11.5	100
Good	66.4	20.8	12.8	100
Fair or poor	58.4	25.7	15.9	100
Age of respondent's youngest child				
No children under 25 years of age	68.9	20.3	10.8	100
Youngest child less than 12 years	71.1	18.2	10.7	100
Youngest child 13 or 14 years	73.7	14.8	11.5	100
Youngest child 15 to 18 years	69.3	17.0	13.7	100
Youngest child 19 to 24 years	69.6	14.2	16.2	100

Appendix Table 2. Stated Retirement Intentions of Non-Retired Canadians Aged 45 to 59, by Selected Labour Market and Financial Characteristics, Canada, 2002

	% who stated a planned age of retirement	% who say they do not intend to retire	% who say they do not know at what age they plan on retiring	Total
Class of worker				
Paid employee	75.8	13.5	10.8	100
Self-employed	54.2	30.5	15.2	100
Weeks employed in past year				
None	39.4	43.0	17.7	100
1 to 26	55.4	23.9	20.6	100
27 to 48	68.5	17.0	14.5	100
49 to 52	73.1	16.3	10.6	100
Pension coverage				
Yes	92.3	na	7.7	100
No	78.7	na	21.3	100
Housing tenure				
Owned	71.4	16.9	11.8	100
Rented	62.1	25.5	12.5	100
Personal income				
Less than $20,000	52.9	29.3	17.8	100
$20,000 to $29,999	67.0	19.6	13.5	100
$30,000 to $39,999	79.3	11.9	8.9	100
$40,000 to $59,999	80.1	10.8	9.2	100
$60,000 or more	82.3	11.5	6.2	100
Household income				
Less than $20,000	38.3	40.1	21.7	100
$20,000 to $39,999	65.4	22.6	12.1	100
$40,000 to $59,999	73.6	15.0	11.4	100
$60,000 to $79,999	78.6	12.4	9.1	100
$80,000 or more	79.8	12.1	8.1	100
Received EI benefits in past year				
Yes	64.2	20.4	15.5	100
No	70.6	18.0	11.4	100
Perceptions of retirement preparations				
View financial prep as adequate	91.0	na	9.0	100
View financial prep as inadequate	78.5	na	21.5	100
Expectations of retirement income				
Will be more than adequate	88.4	na	11.6	100
Will be adequate	90.7	na	9.3	100
Will be barely adequate	88.3	na	11.7	100
Will be inadequate	75.5	na	24.5	100

na – Persons who said they did not intend to retire were not asked this question.

Appendix Table 3. Non-retired Canadians Aged 45 to 59: Logistic regression on likelihood of saying do not know planned age of retirement

	Log odds	
Men (Reference group)	1.000	
Women	1.229	**
Age 45 to 49	1.263	**
Age 50 to 54	1.098	
Age 55 to 59 (Reference group)	1.000	
Married/Common-law (Reference group)	1.000	
Never married	1.025	
Other	0.838	
Less than high school	1.237	
High school/Some post-secondary (Reference group)	1.000	
Certificate/Diploma	0.940	
University degree	1.235	*
Canadian-born (Reference group)	1.000	
Immigrated prior to 1980	1.505	***
Immigrated since 1980	1.225	
Health excellent	1.093	
Health very good (Reference group)	1.000	
Health good	1.264	**
Health fair or poor	0.955	
Paid employee (Reference group)	1.000	
Self-employed	1.369	***
Own home (Reference group)	1.000	
Rent home	0.908	
Household income $20,000 or less	2.007	***
Household income $20,000 to $39,999 (Reference group)	1.000	
Household income $40,000 to $59,999	1.001	
Household income $60,000 to $79,999	1.063	
Household income $80,000 or more	0.790	
Feels adequately preparing for retirement (Reference group)	1.000	
Feels not adequately preparing for retirement	1.945	***
Does not have pension plan (Reference group)	1.000	
Has pension plan	0.358	***
Constant	0.095	***

* Significant at .1 level of confidence
** Significant at .05 level of confidence
*** Significant at .01 level of confidence

Appendix Table 4. Non-retired Canadians Aged 45 to 59: Logistic regression on likelihood of saying do not intend to retire		
	Log odds	
Men (Reference group)	1.000	
Women	1.027	
Age 45 to 49	1.001	
Age 50 to 54	0.999	
Age 55 to 59 (Reference group)	1.098	
Married/Common-law (Reference group)	1.000	
Never married	0.671	***
Other	0.954	
Less than high school	1.221	*
High school/Some post-secondary (Reference group)	1.000	
Certificate/Diploma	1.044	
University degree	1.406	***
Canadian-born (Reference group)	1.000	
Immigrated prior to 1980	1.025	
Immigrated since 1980	1.332	**
Health excellent	1.161	*
Health very good (Reference group)	1.000	
Health good	1.220	**
Health fair or poor	1.373	**
Paid employee (Reference group)	1.000	
Self-employed	3.288	***
Own home (Reference group)	1.000	
Rent home	1.372	***
Household income $20,000 or less	2.094	***
Household income $20,000 to $39,999 (Reference group)	1.000	
Household income $40,000 to $59,999	0.570	***
Household income $60,000 to $79,999	0.482	***
Household income $80,000 or more	0.427	***
Constant	0.175	***
* Significant at .1 level of confidence ** Significant at .05 level of confidence *** Significant at .01 level of confidence		

APPENDIX TABLE 5.
PERSONS AGED 45 TO 59 WHO ARE NOT YET RETIRED: PLANNED AGE OF RETIREMENT, BY SELECTED DEMOGRAPHIC CHARACTERISTICS, CANADA, 2002

	Planned age of retirement						
	Before age 60	Age 60 to 64	Age 65	Age 66 or older	Don't know/ Do not intend to retire	Total	Average
Total	22.0%	22.1%	22.6%	2.7%	30.5%	100.0%	60.8
Men	21.4%	22.0%	23.5%	3.4%	29.7%	100.0%	61.1
Women	22.8%	22.3%	21.7%	2.0%	31.3%	100.0%	60.6
Age Group							
45 to 49	28.4%	18.4%	22.0%	1.8%	29.4%	100.0%	60.0
50 to 54	22.8%	22.3%	21.1%	3.1%	30.8%	100.0%	60.8
55 to 59	6.8%	30.2%	26.5%	4.4%	32.2%	100.0%	62.8
Marital Status							
Married or common-law	23.7%	23.2%	21.4%	2.7%	29.0%	100.0%	60.6
Never married	18.8%	18.0%	25.1%	2.3%	35.8%	100.0%	61.1
Widowed, divorced, separated	15.4%	19.2%	27.4%	3.0%	35.0%	100.0%	61.9
Education							
Less than high school	15.5%	19.0%	25.0%	1.7%	38.9%	100.0%	61.4
High school/Some post-sec	22.7%	21.5%	24.8%	1.9%	29.1%	100.0%	60.8
Certificate or diploma	25.6%	23.8%	19.8%	3.0%	27.8%	100.0%	60.5
University degree	21.8%	23.4%	21.6%	4.4%	28.8%	100.0%	61.0
Immigration Status							
Canadian-born	24.8%	22.9%	21.5%	2.8%	28.0%	100.0%	60.6
Immigrated before 1980	17.2%	23.6%	24.8%	1.8%	32.7%	100.0%	61.3
Immigrated since 1980	7.1%	13.4%	28.9%	3.9%	46.8%	100.0%	63.0
Self-assessed Health							
Excellent	22.3%	22.7%	22.1%	3.7%	29.2%	100.0%	60.9
Very good	23.9%	22.9%	22.6%	2.9%	27.6%	100.0%	60.7
Good	20.5%	22.0%	22.6%	1.4%	33.6%	100.0%	60.8
Fair or poor	15.8%	15.8%	25.4%	1.5%	41.6%	100.0%	61.5
Age of respondent's youngest child							
No children under 25 years of age	20.0%	23.4%	22.5%	2.9%	31.1%	100.0%	61.1
Youngest child less than 12 years	18.1%	23.7%	26.9%	2.4%	28.9%	100.0%	61.1
Youngest child 13 or 14 years	23.7%	18.4%	27.5%	4.1%	26.3%	100.0%	61.1
Youngest child 15 to 18 years	26.8%	19.2%	21.0%	2.3%	30.7%	100.0%	60.3
Youngest child 19 to 24 years	27.5%	20.4%	19.3%	2.4%	30.4%	100.0%	60.3

APPENDIX TABLE 6.
PERSONS AGED 45 TO 59 WHO ARE NOT YET RETIRED: PLANNED AGE OF RETIREMENT, BY SELECTED EMPLOYMENT CHARACTERISTICS, CANADA, 2002

	Planned age of retirement						
	Before age 60	Age 60 to 64	Age 65	Age 66 or older	Don't know/ Do not intend to retire	Total	Average
Class of Worker							
Paid employee	26.0%	24.7%	23.1%	1.9%	24.2%	100.0%	60.5
Self-employed	10.4%	16.2%	21.6%	6.0%	45.8%	100.0%	62.6
Annual Weeks Worked							
None	9.1%	8.0%	19.2%	3.0%	60.6%	100.0%	62.3
1 to 26 weeks	13.1%	13.6%	27.1%	1.6%	44.6%	100.0%	61.9
27 to 48 weeks	14.3%	23.4%	27.0%	3.7%	31.5%	100.0%	62.0
49 to 52 weeks	24.6%	23.7%	22.1%	2.7%	26.9%	100.0%	60.6
Occupation							
Managerial	22.5%	25.6%	18.5%	4.9%	28.4%	100.0%	60.9
Professional	28.8%	23.1%	19.7%	4.3%	24.2%	100.0%	60.5
Technical	31.4%	20.8%	21.1%	1.0%	25.8%	100.0%	60.0
Clerical	28.0%	27.2%	23.3%	1.1%	20.4%	100.0%	60.2
Sales and service	16.7%	20.6%	26.2%	2.7%	33.7%	100.0%	61.4
Blue collar	18.4%	21.7%	24.3%	2.2%	33.3%	100.0%	61.1
Industry							
Primary industries	16.2%	18.3%	19.6%	2.8%	43.1%	100.0%	60.9
Utilities & transportation	25.3%	23.0%	24.6%	1.3%	25.9%	100.0%	60.5
Manufacturing & construction	21.1%	23.0%	23.0%	2.1%	30.8%	100.0%	60.9
Trade	18.0%	25.2%	26.1%	3.7%	27.1%	100.0%	61.5
FIRE & professional services	17.6%	21.4%	24.1%	4.0%	32.9%	100.0%	61.5
Education services	36.0%	25.1%	18.9%	2.4%	17.6%	100.0%	59.9
Health & social services	25.5%	21.8%	24.0%	2.4%	26.3%	100.0%	60.6
Accommodation & other services	16.3%	21.0%	24.3%	3.6%	34.9%	100.0%	61.5
Public Administration	41.9%	29.6%	14.5%	1.4%	12.6%	100.0%	58.9

Primary industries include agriculture, forestry, fishing, mining, oil and gas.
FIRE and professional services includes finance, insurance, real estate, professional, scientific and technical services, and management, administrative and other support.
Accommodation and other services includes accommodation, food, information, culture, recreation and other services.

APPENDIX TABLE 7.
PERSONS AGED 45 TO 59 WHO ARE NOT YET RETIRED: PLANNED AGE OF RETIREMENT, BY SELECTED FINANCIAL CHARACTERISTICS, CANADA, 2002

	Planned age of retirement						
	Before age 60	Age 60 to 64	Age 65	Age 66 or older	Don't know/ Do not intend to retire	Total	Average
Pension Coverage							
Has pension	36.7%	31.1%	22.8%	1.8%	7.7%	100.0%	59.9
Does not have pension	15.3%	22.9%	35.1%	5.4%	21.3%	100.0%	62.3
Housing Tenure							
Owned	24.1%	23.5%	21.1%	2.6%	28.6%	100.0%	60.6
Not owned	13.0%	16.3%	29.5%	3.3%	37.9%	100.0%	62.2
Received EI during the year							
Yes	15.0%	20.1%	26.5%	2.6%	35.8%	100.0%	61.7
No	23.1%	22.6%	22.2%	2.7%	29.4%	100.0%	60.7
Personal Income							
Less than $20,000	10.3%	15.1%	25.6%	1.9%	47.1%	100.0%	62.0
$20,000 to $29,999	12.3%	21.1%	30.8%	2.8%	33.0%	100.0%	62.1
$30,000 to $39,999	23.1%	24.5%	29.8%	1.9%	20.7%	100.0%	60.9
$40,000 to $59,999	30.4%	25.0%	21.6%	3.1%	19.9%	100.0%	60.3
$60,000 or more	32.8%	29.0%	17.1%	3.4%	17.7%	100.0%	60.1
Household Income							
Less than $20,000	4.5%	8.7%	23.4%	1.6%	61.7%	100.0%	63.2
$20,000 to $39,999	9.7%	19.2%	33.9%	2.6%	34.6%	100.0%	62.5
$40,000 to $59,999	22.0%	21.1%	27.2%	3.3%	26.4%	100.0%	61.2
$60,000 to $79,999	28.5%	26.3%	20.9%	2.8%	21.4%	100.0%	60.3
$80,000 or more	32.0%	27.4%	17.9%	2.5%	20.2%	100.0%	59.9
Perception of financial retirement preparations							
Feels current preparations are adequate	35.0%	30.4%	23.1%	2.5%	9.0%	100.0%	60.0
Does not feel current preparations are adequate	12.9%	21.1%	39.8%	4.8%	21.5%	100.0%	62.7
Expected Adequacy of Retirement Income							
More than adequate	44.1%	25.1%	12.5%	6.7%	11.6%	100.0%	59.2
Adequate	33.2%	31.6%	23.7%	2.2%	9.3%	100.0%	60.2
Barely adequate	23.7%	26.5%	34.5%	3.5%	11.7%	100.0%	61.4
Inadequate/Very inadequate	13.4%	19.8%	37.4%	4.9%	24.5%	100.0%	62.6

APPENDIX TABLE 8.
NON-RETIRED CANADIANS AGED 45 TO 59:
OLS REGRESSION RESULTS ON PLANNED AGE OF RETIREMENT

	Unstandardized Regression Coefficients			
	Model 1	**Model 2**	**Model 3**	**Model 4**
(Constant)	46.751	47.764	46.860	47.101
DEMOGRAPHIC CHARACTERISTICS				
Women	-0.420	-0.335	-0.407	-0.525
Age	0.264	0.249	0.250	0.248
Never Married	0.612	0.665	ns	ns
Widowed, Separated, Divorced	1.053	1.158	0.459	0.324 *
Less than high school	ns	ns	ns	ns
Certificate/Diploma	ns	ns	ns	ns
University Degree	ns	0.447	0.690	0.542
Immigrated prior to 1980	ns	ns	ns	ns
Immigrated since 1980	2.223	1.992	1.386	0.793
Younger than spouse	-0.546	-0.500	-0.600	-0.488
Health: Excellent	0.317	ns	0.352	0.313
Health: Good	ns	ns	-0.292 *	ns
Health: Fair or Poor	0.683	ns	ns	-0.511 *
EMPLOYMENT CHARACTERISTICS				
Self-employed		0.910	1.230	1.575
Has pension		-1.546	-1.054	-0.857
Not full-time/full-year		0.831	0.452	0.377
Management		ns	0.349 *	0.387
Clerical		ns	ns	ns
Sales or service		0.416	ns	ns
Blue collar		0.654	0.608	0.452
Primary		ns	ns	ns
Transportation/Utilities		ns	ns	ns
Trade		0.395 *	ns	ns
FIRE, Professional, Mgmt services		0.519	0.534	0.486
Food & other services		ns	ns	0.410 *
Health, Education, Public Admin		ns	ns	ns
FINANCIAL CHARACTERISTICS				
Rents home			0.501	0.339
Household inc. under $30,000			ns	ns
Household inc. $30,000 to $50,000			0.621	ns
Household inc. $80,000 or more			-0.237 *	ns
Feels financial prep. are inadequate			1.988	1.555
Expects retirement income to be inadequate			0.655	0.389
ANTICIPATED REASONS FOR RETIREMENT				
Own health				0.620
Need to provide care to family member				-0.568
Have adequate retirement income				ns
Mandatory retirement policies				2.769
Company early retirement plan				-0.958
Unemployment				0.738
Wanting to stop working				-0.681
Desire to start different career or work part-time				-0.329
Adjusted R-Square	**0.079**	**0.141**	**0.203**	**0.295**

All coefficients significant at .05 level of confidence or better, except those noted by an asterik which are significant at .1 level of confidence. Those noted by "ns" are not significant.

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